the services of NSDL are available to all types of investors, including small investors.

(b) The National Securities Depository Limited (NSDL) follows a two-tier fee structure, *i.e.* NSDL levies fees on its Depository Participants (DPs), while DPs charge their clients. NSDL's charges are uniform across all DPs. The DPs are free to levy their own tariff structure based on the services provided by them. There are 213 DPs providing depository services to their clients. There is enough competition among the DPs and the market forces determine the charges to clients.

(c) and (d) NSDL informs that some of the DPs have been charging custody fees to their clients since long and it is not a new type of fee. The DPs have revised their tariff structure on 1.5.2002 to levy Annual Custody Charges varying from Rs. 0.50 to Rs. 2 per month. These new charges are imposed by the DPs due to the fact that NSDL has imposed new custody charges on its DPs at the rate of Rs. 0.50 per scrip/per month of each company's shares held by investors with its DPs.

The tariff structure of NSDL has been created as per the powers given to it under its Business Rules. Securities and Exchange Board of India (SEBI) as per the SEBI (Depositories and Participants) Regulations, 1996 and Depositories Act, 1996, does not control the tariff structure levied by the Depositories and DPs. Any creation of new tariff structure or effecting upward/downward changes in the tariff structure under NSDL Business Rules does not require any prior consent from SEBI However NSDL informs the same to SEBI to take it on record.

Revival of Urban co-operative Banks

2674. DR. A.K. PATEL:
PROF. ALKA BALRAM KSHATRIYA:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware that the Urban Co-operative banking sector has been haltered due to various factors and is passing through critical situation;

(b) if so, what steps Governments are considering to take up to stop the further deterioration of the sector; and

(c) whether Government propose to sanction the soft loans for strengthening these banks (through DI and CGCI)?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) and (b) Reserve bank of India (RBI) has reported that the urban co-operative banking sector is passing through a turbulent phase. RBI is reportedly closely watching the developments in the sector and is taking necessary steps to strengthen the system of regulation and supervision of these banks. These include, putting ceiling on operations in call money market and bank finance against shares and debentures, increase in percentage of SLR investments in Government Securities, restrictions on interest rates on deposits offered by UCBs and investment of funds as deposit with other UCBs, introduction of revised entry point norms while setting up new UCBs, reduction of credit exposure, constitution of audit Committee of Board of Directors to review the internal audit reports, introduction of electronic data processing (EDP) audit system, introduction of capital adequacy norms in a phased manner, introduction of a system of Off-site Surveillance, modification of norms for indentifying weak UCBs, introduction of a system of supervisory rating under the CAMELS model, etc.

(c) No, Sir. RBI Act, 1934 and the Deposit Insurance and Credit Guarantee Corporation Act, do not provide for granting soft loans to any bank.

Amendment of Secrecy law in Banks

†2675. SHRI KAPIL SIBAL:

SHRI LAJPAT RAI:

W)l the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have decided to amend the laws relating io secrecy in the banks to make them transparent;

† Original notice of the question was received in Hindi.